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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D C 20548

DIVISION OF FINANCIAL AND
GENERAL MANAGEMENT STUDIES

B-125053

September 15, 1972

Dear Mr Cliff.

We have reviewed the accounts of accountable officers at the Denver, Colorado (Region 2); San Francisco, California (Region 5); and Milwaukee, Wisconsin (Region 9), regional offices of the U.S. Forest Service and at selected forest and ranger district offices located within each of these regions.

We examined the administrative procedures and controls relating to the receipt and disbursement of funds, tested financial transactions consummated through June 1971, and reviewed the latest reports of the Office of the Inspector General of the Department of Agriculture concerning fiscal activities at the regional and district offices and the actions taken on the reports.

Our review showed that, except for the matters discussed below, the administrative procedures and fiscal controls, including internal audit, were generally satisfactory at the locations we reviewed. The fiscal records in Regions 2, 5, and 9 may be transferred to Federal Records Centers under the provisions of 8 GAO 13.

NEED FOR BETTER CONTROL OVER THE
COLLECTION OF FEES FOR CAMPGROUND USE

The Forest Service needs to improve its controls over the collection of campground user fees to assure that all fees are collected.

We observed that in the system prescribed by Region 5, campers were instructed to deposit their fees daily in unattended, locked boxes. Occupancy checks were made from time to time, but the results of such checks were not compared with the fees deposited. This system did not provide the means to assure that all campground user fees due were collected.

In contrast, we observed that one ranger district instituted, in the summer of 1971, daily occupancy checks which were compared with the fees deposited and also posted notices of penalties for nonpayment of fees. We were informed that as a result of the new procedures collections increased from about \$7,400 in 1970 to about \$35,000 in 1971 and the time spent in collecting fees from violators decreased. This

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B-125053

system demonstrates the benefits of (1) daily occupancy checks, (2) daily comparisons of occupancy to fees paid, and (3) posting penalties for nonpayment of fees.

Recommendation

To assure that all fees due for campground use are collected, we recommend that the Forest Service establish uniform standards for campground users fee collections. Such standards should include, where practicable, the (1) daily determination of campground occupancy, (2) comparison of fees paid with fees determined to be due, and (3) posting of penalties for the nonpayment of fees.

NEED FOR PROMPT ESTABLISHMENT OF TRESPASS CLAIMS

Trespass claims constituted a large portion of the \$3.8 million of miscellaneous accounts receivable in Region 5.

Forest Service procedures require that trespassers be billed within 60 days of the identification of the trespass. The regional attorney advised us that delays could result in the reduction or the complete writeoff of some claims.

We analyzed 17 active and 8 closed trespass cases. The average time from the identification of the trespass to the date billed was 12 months for the active cases and 7 months for the closed cases. These delays are in violation of Forest Service procedures, substantially delay collections, and increase the risk of nonrecovery.

We were informed that a cause of the delays was the failure of national forest employees to submit trespass reports promptly.

Recommendation

To improve the timeliness of collecting amounts due the Government and to reduce the risk of nonrecovery of such amounts, we recommend that the Forest Service take the action necessary to achieve compliance with its procedural requirement that trespass claims be billed within 60 days of identification of the trespass.

NEED FOR REVIEW OF SYSTEMS USED TO COMPUTE AND PAY GRAZING ASSOCIATIONS FOR ADMINISTRATIVE EXPENSES

Grazing associations, under agreements with the Forest Service, perform a large part of the management of national grasslands. The associations are required to pay grazing fees to the Government for

permission to use the grasslands. They are also reimbursed by the Government for the cost of materials and services they provide to improve and administer the grasslands.

We observed a lack of uniformity in determining allowable administrative costs in Region 2. At one national forest certain specified kinds of administrative costs were allowed in full, while in another national forest each administrative expenditure was examined to determine the extent to which it benefited the Government and only that portion was allowed.

We also observed wide ranges in the amounts of administrative costs allowed to similar organizations. For example, at two national forests in Region 2, director's fees and mileage charges allowed in calendar year 1970 ranged from nothing for one association to \$1,080 for another, and secretary-treasurer salaries and fees allowed ranged from \$420 to \$1,592. Yet the administrative workload of the associations, in terms of the number of members, was similar.

We, therefore, suggest that the Forest Service review the systems being used to authorize and account for reimbursements to grazing associations for administrative expenses with a view toward establishing guidelines or standards which will result in a more uniform system and improved controls.

OTHER MATTERS

The following weaknesses in internal controls were brought to the attention of local management who took corrective action.

- Unused airline tickets not processed for refunds (Region 9)
- Travel vouchers prepared, reviewed, and audited by the same person (Region 9)
- Unauthorized employees made purchases under blanket purchase orders (Region 9)
- Insufficient supporting documentation and administrative examination of vouchers for goods and services (Region 9)
- Imprest funds not verified quarterly (Region 9)
- Airline billings reviewed and audited by employee who also was accountable for Government Transportation Requests (Region 9)

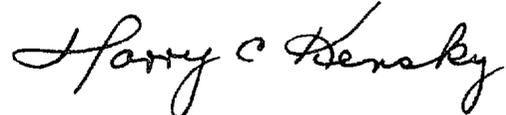
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B-125053

We would like to be advised of the actions taken on our suggestion and recommendations. We wish to acknowledge the cooperation given to our representatives during this review.

Copies of this report are being sent to the Inspector General of the Department of Agriculture.

Sincerely yours,

A handwritten signature in cursive script that reads "Harry C. Kensky".

Harry C. Kensky
Associate Director

Mr. Edward P. Cliff
Chief, U.S. Forest Service
Department of Agriculture